

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7666

BILL NUMBER: HB 1786

DATE PREPARED: Feb 27, 2001

BILL AMENDED: Feb 26, 2001

SUBJECT: Worker's Compensation Magistrates.

FISCAL ANALYST: Chuck Mayfield

PHONE NUMBER: 232-4825

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill authorizes the Worker's Compensation Board to appoint magistrates to determine issues arising under worker's compensation, with certain exceptions. It requires a magistrate to report the magistrate's findings in an evidentiary hearing to the board member to whom the case was assigned. The bill requires the board member to enter the final order or award. The bill also makes conforming changes.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) The bill allows the Worker's Compensation Board to appoint magistrates to determine issues arising under worker's compensation. The magistrates would help the Board reduce the backlog of appeals the board currently has on file. It is estimated that each board member has approximately 60-80 cases assigned to them. The use of magistrates could cost the board about \$190,000 annually.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. The Board had 4 vacant positions on 2/26/2001 valued at \$78,286 and reverted \$117,742 for FY 2000. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

As a point of reference, worker's compensation paid to state employees, exclusive of medical benefits, totaled approximately \$2.9 M in FY 1996, \$3.1 M in FY 1997, \$3.4 M in FY 1998, \$3.7 M in FY 1999, and \$3.9 in FY 2000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Worker's Compensation Board, All Agencies.

Local Agencies Affected: All Units.

Information Sources: